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MEMORANDUM FOR: Director of Central Intelligence

FROM : John F. Blake
Acting Deputy Director
of Central Intelligence

SUBJECT : Interface Between NIO/DDI and DDO

REFERENCE : DCI Memorandum of 24 August, subject: Structure
of the Intelligence Community

1. In response to your request in paragraph 2.h of referent memorandum, I would respectfully suggest that a great deal more is involved in any proposal "to split DDO and DDI" than the question of whether the employees of both directorates could continue to enjoy the same rights and benefits they currently are entitled to as employees of the CIA. Under the appropriate legislation, if Congress was willing to go along, we could undoubtedly provide for continuation of rights and benefits but the more fundamental question is whether it is to our advantage to place any more institutional distance between the two directorates than already exists.

2. For more than a decade, the top management of the Agency has been trying with some success to reduce the barriers to communication between DDI and DDO. We have tried to encourage a close relationship at the working level between the geographical branch chiefs in DDO and their counterpart analysts in DDI in the belief that both the finished intelligence product and the effective exploitation of agent sources will benefit as a result. Our reasons for doing so are as follows:

a. Accurate Evaluation by Analysts of the Reliability and Access of Human Sources

Although DDI analysts cannot be given the identity of agents, close daily relationships between analysts and DDO



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branch chiefs and reports officers do give the analyst over time an accurate perception of the degree of confidence he can place in individual agents. This factor becomes of particular importance during times of approaching crisis when the analyst must sort through a welter of conflicting raw reports in the effort to predict the course of events. Only the closest possible interface between analyst and collector can reduce the danger of costly errors in the evaluation of clandestine reporting. Any institutional change that impairs this working level cooperation by physical separation or by requiring coordination through lengthy chains of command can only damage our ability to anticipate future crises.

b. Effective Exploitation of Agents

Once an agent has been recruited with access to significant intelligence, we have found that close coordination between DDO and DDI at the working level can improve the quality of the reporting and also help to confirm the degree of access claimed by the agent. Again, the analyst is not given the identity of the agent but he can and does suggest fruitful areas for additional interrogation and the research base available to the analyst tends to confirm or question the agent's reliability. Close interface at the working level is essential for this process to work effectively.

c. Improvement of DDO Reporting

We have found that when an agent is reporting on a complex economic or scientific topic, the text of the DDO report that is disseminated to the community can profit substantially from the input of DDI experts. Again, close working level cooperation is required to insure this result.

d. More Accurate Perception by DDO Branch Chiefs of Consumer Needs

Just as the DDI analyst must have continuing access to the policy making consumer in order to refine his product to fit the perceived needs, so the DDO reports officer must have from the DDI analyst a detailed and specific reflection of those needs in order to refine and make more specific the questions that are posed to the agent in the field by his case officer. Again, close interface and a minimum of institutional barriers are the solution to this problem.

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e. Contribution of DDO Station Chiefs to Finished Intelligence

On many occasions, the DDI has asked for the evaluation by Station Chiefs of political developments in their host countries, due to their intimate knowledge of the local scene. These assessments have significantly contributed to the finished intelligence product and are another example of the interaction between DDO and DDI that must be preserved. Similarly, DDO case officers who handle high level agents in foreign governments are relied upon by analysts for their detailed knowledge of the decision making process.

f. Need for Close Cooperation Between DDI and DDS&T

Since OWI and OSI have been transferred to DDI, it is vitally important to preserve the close continuing interface between the analytic elements of DDI and those concerned with applying technology in the DDS&T. In the operation of technical collection systems the day-to-day understanding of the total intelligence process is crucial to maximizing the effectiveness of the large investments in technical collection systems. Also, the R&D program in analytic methodology being done for DDI requires the closest possible working level relationships between DDI and DDS&T, which would be made far more difficult by institutional separation.

3. In addition, there are other considerations that argue for the retention of DDO and DDI in the same agency with close coordination from the working level up the chain of command. They are:

a. Easy Availability of DDI Finished Intelligence to DDO Station Chiefs

In many countries of the Third World, the DDO Station Chief is dependent on a weekly intelligence summary from DDI in his effort to influence and win the cooperation of local liaison chiefs and high government officials. Due to close cooperation between DDO and DDI, these summaries are hand-tailored to fit particular needs. Again, institutional separation could only damage this type of cooperation.

b. Availability of Objective DDI Judgment on DDO Project Proposals in the Covert Action Field

One of the lessons of the Bay of Pigs was the need for

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factoring in a DDI assessment of the risks and advantages of covert action proposals before they are submitted to higher authority. Institutional separation could only have a negative impact on the mutual trust and tight security that this process requires.

c. Co-Location of DDO, DDI, DDS&T and DDA in the CIA Facilitates the Direction and Control of Complex Field Stations

For example, the direction of [] Station by the COS would become an organizational nightmare, if the elements of these directorates in his station were reporting to and taking their orders from separate institutions with distinct chains of command. Conversely, the present arrangement facilitates the posting of DDI personnel overseas within field stations and there is nothing to prevent the expansion of this practice.

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d. The Protection of DDO Cover

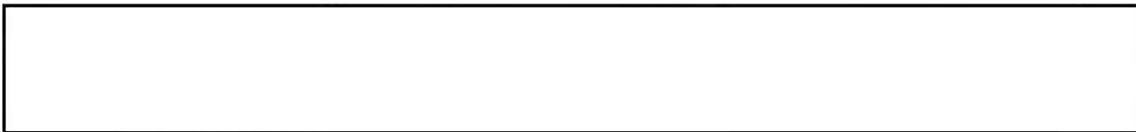
The location of the DDO within the CIA together with the other directorates provides the only feasible and workable cover for the clandestine service that exists. The removal of any major element from the CIA can lead to increased exposure of clandestine service personnel in the Washington area, and there is no other workable cover arrangement that anyone has yet been able to propose.

4. Against all these considerations that argue for the maintenance of the present structure of the Agency, there is only one argument that has been put forward for separating DDO and DDI. That is the proposition that by removing the DDI from its present institutional connection with DDO, the DDI would be distanced from the nasty business of espionage and covert action and would as a result be able to recruit better analysts at all levels and be able also to enjoy much wider and closer relations with the academic world. The evidence for this conclusion is not substantial. In spite of all the recent publicity, we continue to recruit highly competent analysts from the universities and there are many more qualified applicants than there are slots. In addition, our relations with the American academic world are extensive, fruitful and growing.

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John F. Blake

SA/DDCI/CMeyer:as
21 September 1977

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MEMORANDUM FOR: ADDCI

Attached is the final version of the memorandum we discussed. You will note that the specific example of the 1973 War was removed from paragraph 2.a at the request of Paul Walsh. Also, two subparagraphs e and f have been added at the end of paragraph 2 at the request respectively of Paul Walsh and Les Dirks.


Cord Meyer, Jr.

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Date 21 September 1977